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ABSTRACT

The merger of the Commission on Preservation and Access and the Council on Library Resources (CLR) became official on May 30, 1997 when the Board approved the new enterprise, the Council on Library and Information Resources (CLIR). The CLIR statement of mission calls on the organization to identify the critical issues that affect the welfare and prospects of libraries and archives and the constituencies they serve, to convene individuals and organizations in the best position to engage these issues and respond the them, and to encourage institutions to work collaboratively to achieve and manage change. CLIR pursues its mission out of the conviction that information is a public good and of great social, intellectual, and cultural utility. The report lists funders and sponsors, and includes a message from the president. The four major CLIR programs are described: the Commission on Preservation and Access; Digital Libraries; the Economics of Information; and Leadership. CLIR will not maintain the kinds of grant programs that were a feature of the Council on Library Resources, or be open to unsolicited requests for project support. The report lists the publications that the two predecessor organizations issued in 1996-1997 and describes those that CLIR will issue. CLIR grant and contract recipients, project titles, dates the grants were authorized, and grant amounts are listed. Separate audited financial statements for the two predecessor organizations are provided. (SWC)

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COUNCIL ON LIBRARY AND INFORMATION RESOURCES

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ANNUAL REPORT 1996-1997

IR056773

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COUNCIL ON LIBRARY AND INFORMATION RESOURCES

The Council on Library and Information Resources (CLIR) grew out of the 1996 merger of the Commission on Preservation and Access (CPA) and the Council on Library Resources (CLR). Over the years, CPA and CLR, in partnership with libraries, archives, and other information providers, advocated collaborative approaches to preserving the nation's intellectual heritage and strengthening the many components of its information system. CLIR was founded to continue this tradition of support for a national information system and a seamless web of information resources, of which all libraries and archives are a part.

The convening role is central to CLIR's mission. CLIR brings together experts from around the country and around the world and asks them to turn their intelligence to the problems that libraries, archives, and information organizations are facing as they integrate digital resources and services into their well-established print-based environments.

CLIR urges individuals to look beyond the immediate problems and imagine the most desirable outcomes for the users of library and archives—to be rigorously practical and to dream.

COUNCIL ON LIBRARY AND INFORMATION RESOURCES

ANNUAL REPORT 1996-1997

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ACKNOWLEDGMENT

The following foundations and sponsors provide crucial support for the activities and programs of the Council on Library and Information Resources:

FOUNDATIONS

The William and Flora Hewlett Foundation
The Henry Luce Foundation
IBM Corporation
W.K. Kellogg Foundation
The Mario Morino Institute
The Andrew W. Mellon Foundation

CLIR also thanks the National Endowment for the Humanities, the Alfred P. Sloan Foundation, and the Xerox Corporation, which funded the American Council of Learned Societies and the Commission on Preservation and Access to develop a documentary on the preservation of digital information.

SPONSORS: THE COMMISSION ON PRESERVATION AND ACCESS (As of July 1, 1997)

Agnes Scott College
Albion College
Amherst College
Association of American Publishers
Bates College
Berea College
Boston College
Boston Public Library
Bowdoin College
Brown University
Bryn Mawr College
Bucknell University
Claremont Colleges
Coalition for Networked Information
Colby College
Colgate University
College of Charleston
College of Wooster
Colorado College
Columbia University
Connecticut College
Cornell University
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Library of Congress
Macalester College
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Miami University
Middlebury College
Mills College
Mount Holyoke College
National Agricultural Library
National Library of Medicine
New York Public Library
New York University
North Carolina Central University
North Carolina State University
Northeastern University
Northwestern University
Oberlin College
Occidental College
Ohio State University
Pennsylvania State University
Princeton University
The Reader's Digest Association, Inc.
Reed College
Rollins College
Saint John's University
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Southeastern Library Network, Inc.
Southern Methodist University
Stanford University
State University of New York at Albany
Swarthmore College
Syracuse University
Trinity College
Union College
University of Alberta
University of California, Berkeley
University of California, Los Angeles
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University of Toronto
University of Washington
University of Wisconsin-Madison
Vassar College
Washington and Lee University
Washington University
Wellesley College
Wesleyan University
Wheaton College
Williams College
Yale University

Message From the President

Underlying the programmatic activity of CLIR is an abiding concern for the well-being of libraries and archives and their relationship to the scholarly community.

The merger of the Commission on Preservation and Access and the Council on Library Resources became official on May 30, 1997, when the Board ratified the articles of incorporation and the bylaws of the new enterprise, the Council on Library and Information Resources (CLIR). CLIR exists because thoughtful, responsible, and dedicated Board members guided the transition. The merger marked the end of a two-and-a-half year process of examining the missions, programs, and aspirations of the two organizations. The separate Boards of the Commission and the Council acted from the highest levels of good will and statesmanship. Although members of the two Boards had every reason to take pride in past accomplishments, they dropped their respective claims on programs and projects and found substantial common ground. With high regard for one another's history and achievements, they seized the opportunity to create an organization appropriate to the future needs of libraries, archives, and their many constituencies.

The period of analysis and reflection that led to the merger was a valuable exercise in assessing the established programs of the Commission and the Council. The Boards considered the appropriate roles of a non-profit agency that helps libraries, archives, and related information organizations meet their professional and societal obligations. There were long discussions about the challenges faced by libraries and archives as they acquire, store, preserve, and provide access to information resources. The demands on these repositories have increased dramatically, even as their institutional missions have stayed fundamentally the same—and the dollars to support them have remained largely constant.

With a small staff and finite resources, CLIR has set its sights on a few targeted programs. Our statement of mission calls on the organization to identify the critical issues that affect the welfare and prospects of libraries and archives and the constituencies they serve, to convene individuals and organizations in the best position to engage these issues and respond to them, and to encourage institutions to work collaboratively to achieve and manage change. CLIR pursues its mission out of the conviction that information is a public good and of great social, intellectual, and cultural utility, and it is committed to building support for this operating premise.

A WORD OF THANKS

Each Board member contributed in substantial ways to the creation of CLIR, but a few individuals must be acknowledged for their special efforts. Dr. Martin Cummings, who chaired the Council on Library Resources (CLR) Board and served for many years as a staff consultant, retired in May 1997. His love of libraries, his belief in the value of research, and his insistence on quality and accuracy motivated all of us who worked with him to aspire to more than we might otherwise have attempted. Dr. Cummings stayed on to see the merger to completion, and for his persistent and tireless efforts, we are forever grateful.

Our statement of mission calls on the organization to identify the critical issues that affect the welfare and prospects of libraries and archives and the constituencies they serve, to convene individuals and organizations in the best position to engage these issues and respond to them, and to encourage institutions to work collaboratively to achieve and manage change.

Dr. Billy Frye, chairman of the Board of the Commission on Preservation and Access (CPA) since its inception, reached the end of his third and final term of office. Dr. Frye, more than anyone else, defined the aspirations and ideals of the Commission. In a selfless, highly principled way, Bill Frye led the Commission through its campaign to bring the problem of acidic paper to the attention of a broader public and to incorporate concerns about preserving digital information into the overall preservation agenda. Dr. Frye moved preservation from being a librarians' concern to being a subject of vital importance to all institutions of higher education. We thank him for his leadership of the Commission, and we are delighted that he will remain on the Board of CLIR.

Other individuals who worked hard to assist with the agenda of one or the other organization and who reached the end of their terms of service were William O. Baker and Basil Stuart-Stubbs, of the Council on Library Resources, and Nicholas Veliotes, of the Commission on Preservation and Access. For their years of dedicated service and for their rich store of stimulating ideas and general wisdom, we are deeply grateful.

Finally, we want to thank the many foundations and institutions that have demonstrated confidence in our work by contributing financial resources. Like the predecessor organizations, CLIR has no endowment or means of self-support. Each year's agenda is dependent upon others' finding value in our programs and agreeing to finance them. We trust that the accomplishments of this past year will justify the investment our funders and sponsors have made in us.

STAFF CHANGES

The Council on Library and Information Resources has only a small staff to achieve the aims of the programs, and there were important changes on that staff this past year. Mary Agnes Thompson, who had been with the Council on Library Resources for 17 years, resigned to become a reference librarian at The Catholic University of America in March 1997, and Vanessa Lee, administrative assistant for some 13 years, left in June 1997 to take a position as database manager for a law firm. James M. Morris joined the staff as vice president in January 1997, and Kathlin Smith was named program officer in February 1997.

THE YEAR IN REVIEW

Although we have acted as a single organization for the past year, the formal legal status of CLIR, as noted earlier, is a recent development. Consequently, the audited statements in this report are presented separately for the two predecessor organizations. The merger has been an important administrative concern, and we believe that it will have many benefits for the library, archival, and higher education communities. But the real story of CLIR will be told through the results of the projects that have been commissioned in each of the program areas. The staff take pride in what has been achieved, but we recognize that our contribution has been—as it will be—to bring the right people together and to provide a structure that allows them to do work that genuinely advances the cause of libraries, archives, and other information agencies.

During the year, we have issued 10 newsletters, three technical reports, and a volume of case studies on public libraries and their use of technology. We have organized and hosted dozens of program-based meetings on preservation, digital libraries, the economics of information, and leadership. Staff and members of our task forces and committees have spoken about the programs at scores of professional and scholarly meetings. In all these activities, we have sought to raise the level of awareness about important issues, solicit help from appropriate groups, and coordinate efforts toward a constructive purpose.

There is no doubt about the importance of technology for increasing access to information, but what is the proper balance between the traditional functions of libraries and the new opportunities opened up by the technology?

Underlying all the programmatic activity of CLIR is an abiding concern for the well-being of libraries and archives and their relationship to the scholarly community. Many articles in the popular press this year have called into question the nature of the library. On the one hand, technology enthusiasts use the media to tell the upbeat story of what digital information can mean for new and underserved audiences. On the other, many who love libraries, their collections, and their tradition of services question the emphasis on technology. There is no doubt about the importance of technology for increasing access to information, but what is the proper balance between the traditional functions of libraries and the new opportunities opened up by the technology?

Bill Gates has invested millions of dollars in providing computers and software to public libraries around the country. He believes that access to digital information will inspire individuals and revitalize neighborhoods, and many of the nation's political leaders voice similar beliefs. They extol technology as a tool of empowerment and of democracy.

But technology alone will not serve the needs of scholars and students. In a recent essay on digital libraries, Carla Hesse, a historian at the University of California, Berkeley, writes as follows of the relationship between the research library and humanities scholarship:

> *The future of humanities scholarship in the twenty-first century A. D. will be intimately linked with the fate of our research libraries. This is so because from the very beginnings of human history libraries have been the principal repositories of the record of human knowledge and experience. They are our laboratories. And it is now clear that the modern research library is at-a critical crossroad. The conjuncture is at once economic and technological. How our libraries emerge from this conjuncture will be as crucial as decisions about classroom curricula in shaping both the content and the form of humanities scholarship in the future.*
>
> (Carla Hesse, "Humanities and the Library in the Digital Age," in *What's Happened to the Humanities?*, ed. Alvin B. Kernan [Princeton University Press, 1997], p. 107.)

Hesse's essay is pointedly about the effects of technology on humanistic scholarship, but her cautionary sentiments about the coming transformation of research libraries clearly apply as well to the larger record of human achievement that libraries compile and preserve. It is to the support of that comprehensive record, of which the humanities are so rich a part, that the Council on Library and Information Resources is committed. We believe that the new organization will serve us well in our work

with many different associations, scholarly societies, networks, and institutions of higher education, both national and international. We want it to be a forum for discussing candidly the changes—welcome and not, anticipated or unforeseen—that will inevitably accompany the efforts of libraries, archives, and information organizations to integrate digital resources and services into their well-established print-based environments.

We welcome comments about our agenda as we develop the four programs described in the following section of this report. And we encourage readers to bring to our attention both their local challenges and those more encompassing problems that may benefit from cooperative solutions.

Deanna Marcum
September 30, 1997

THE PROGRAMS

Initially, CLIR will maintain four major programs: the Commission on Preservation and Access, Digital Libraries, the Economics of Information, and Leadership, and, in each of these programs, we want to consider libraries not as isolated organizations but as components of a larger information structure that also includes archives, colleges and universities, computer centers, and publishers.

The agenda for work is extensive indeed, and we can address only a portion of it. To be effective, we will have to choose carefully the projects in which we invest. This will necessitate a fundamental change in what had been the practice of the Council on Library Resources as an operating foundation. CLIR will not maintain the kinds of grant programs that were a feature of the CLR, or be open to unsolicited requests for project support. We shall adopt instead what has been the mode of operation of the Commission on Preservation and Access: after consultation with knowledgeable advisors, we shall identify the individuals and organizations best suited to undertake particular components of the overall agenda in each program area and seek their participation. It is possible that, from time to time, we shall issue a broad invitation for research proposals on specific topics, but that procedure will be exceptional.

THE COMMISSION ON PRESERVATION AND ACCESS

In the past, the Commission on Preservation and Access has been a force—on occasion, a solitary force—working to assure that knowledge produced by the scholarly communities of the world is saved and kept accessible. CLIR will continue, and strengthen, that role for the Commission.

As a fundamental principle of all its programs, CLIR will encourage institutions to achieve and manage change through collaboration. Nowhere is collaborative action more possible than within the preservation community, where librarians and archivists routinely cooperate, among themselves and with others. The most striking evidence of this is the success of the ongoing effort to rescue large portions of the deteriorating print-based collections in libraries here and abroad.

With advice from its standing committees and task forces, the Commission will develop new strategies to sharpen the professional skills of individuals with preservation responsibilities, publish materials that inform and instruct the preservation community, document the economic implications of establishing sound preservation environments for collections, and frame the next set of issues to be considered within the changing definition of "preservation and access."

THE INTERNATIONAL PROGRAM

Because few of the critical issues of preservation and access today can be addressed outside an international context, the Commission maintains an International Program to promote preservation awareness throughout the world. The Program has helped to establish many collaborative projects, and, through training seminars, workshops, fellowships, translation projects, publications, and a policy of generous response to requests for counsel and advice from colleagues abroad, it continues to work for the long-term preservation and accessibility of information.

The International Program has focused its efforts to date on Eastern and Western Europe, the former Soviet Union, Latin America, and China. Thanks to new support from The Andrew W. Mellon Foundation, the work in Latin America will be extended, and we will initiate new activity in Southern Europe and South Africa. The Program also hopes to expand its work in Asia and is seeking funds to develop new projects there.

The following illustrate current and prospective projects of the International Program:

International Register of Microform Masters. An international register of microform masters is essential if scholars and librarians are to know what has been filmed at locations throughout the world. The Program encourages national libraries to contribute records to regional nodes for the collection, organization, and distribution of information about reformatted collections. It will support efforts to link these records to an emerging international register and to reach international consensus on the elements and the record structure for listings of digitized materials.

Preservation and Access. Examples of activities that will be undertaken in the next several years include the provision of U.S. expertise for preservation-needs assessments at libraries abroad; the development of cooperative filming and digitizing projects for specific collections; and the design of strategies to increase the production and use of permanent paper.

Translations. Most preservation literature is written in English, and there is little state-of-the art information available to non-English speakers. The Program supports the translation and broad dissemination of key works on preservation. In the coming year, it will coordinate the distribution of translated preservation literature in countries where Spanish and Portuguese are widely spoken, and it will organize translation projects for other languages and other areas.

PRESERVATION SCIENCE COUNCIL

Because the cost of environmental systems for storing all types of library collections—paper, magnetic media, and film—is substantial, establishing a sound preservation environment has become a major economic issue for academic institutions. Additionally, the storage environment for collections affects human comfort, and changes may disrupt established ways of working with materials. The Commission's 20-member Preservation Science Council (PSC), composed of 16 preservation administrators and four scientists, has recommended an investigation of the extent to which scientifically regulated environmental conditions can increase the life expectancy of materials, even as operating costs remain the same or decrease.

PRESERVATION MANAGERS COUNCIL

The Preservation Managers Council (PMC), a longstanding committee of preservation administrators from research libraries, will develop ideas for projects that support essential traditional preservation activities, explore preservation issues around "non-book" materials (audio, video, film), and integrate preservation concerns into the design of digital library projects.

CLIR aims to help libraries of all types and sizes understand the far-reaching implications of digitization. To that end, CLIR supports pilot projects and experiments whose purpose is to build confidence in the digital component that libraries are now adding to their traditional print holdings.

DIGITAL LIBRARIES

The National Digital Library Federation (NDLF),* which was begun by a group of 15 research libraries in 1996, has become an official project of CLIR. The primary mission of the NDLF is to establish the necessary conditions for creating, maintaining, expanding, preserving, and archiving a distributed collection of digital materials that will be permanently accessible to scholars and the public. NDLF has underwritten or endorsed four testbed projects: The Making of America, Part II (MOAII); The Advanced Papyrological Information System (APIS); The Social Sciences Digital Library Consortium (SSDLC); and The Berkeley/Columbia Digital Scriptorium. As with NDLF itself, these testbed projects are works-in-progress, and they vary in scope and intent. The purpose of MOAII is instructional and informational; its audience will be university and college students, secondary-school students, and the public. APIS and the Digital Scriptorium, on the other hand, are intended primarily for use by researchers. What links all the endeavors is their objective of developing a common architecture of discovery and retrieval for information contained in databases that are distributed among many institutions.

Additional libraries are welcome to become sponsors of the NDLF under the same terms as its original sponsors. Each new sponsor must be actively engaged in a substantive digital library project and, in addition to making the requisite financial contribution, be willing to contribute staff resources to joint projects.

* On September 19, 1997, the name of the NDLF was officially changed to the Digital Library Federation.

DIGITAL ARCHIVING

New electronic systems of scholarly communication will work only when there is a thoroughly dependable process for archiving digital information. Without such a process, libraries will continue to meet their preservation responsibilities by buying and storing paper versions. CLIR will work with relevant groups of scholars, university administrators, librarians, and computer-center personnel to develop a plan for digital archiving that builds confidence in new modes of scholarly communication and peer evaluation. The plan will consider the economics of digital archiving and set the systems and governance requirements for assured preservation and access and the safe migration of data.

THE ECONOMICS OF INFORMATION

Although we have discontinued a series of small grants for research on the economics of information, in part because the projects did not focus sharply enough on developments within CLIR's four major programs, we shall continue to undertake research activity that puts questions about the economics of information within large institutional frameworks. It is no longer appropriate, or even possible, to regard library budgets as the sole investment by universities in providing the information that serves as a basis for research and scholarship. We want to think broadly about how universities—and other institutions—should invest in information resources to meet the needs of the scholarly community. We shall start by studying the process of allocation on one or two campuses and use these findings to frame the critical questions and design appropriate responses.

LEADERSHIP

The much-talked-about transformation of both public and academic libraries will be accomplished only if talented and creative individuals are available to manage libraries and define library services in the twenty-first century. CLIR's Leadership Program will sponsor projects that promise to build a new cadre of skilled leaders. Although a few schools of information studies now offer curricula that prepare individuals to work effectively in the hybrid environment of print and digital media, the nation's libraries are largely staffed by individuals who have not had an opportunity for formal training in the contemporary demands of the profession. CLIR will help librarians—and others engaged in the management of information resources—to acquire the requisite new skills.

DIGITAL LEADERSHIP INSTITUTE

CLIR hopes to establish a university-based Institute, with a formal curriculum of several weeks' duration and a subsequent practicum experience, the purpose of which will be to effect fundamental change in the way universities manage their information resources in the digital era. Over the course of the next decade, the Institute will train a substantial cadre of professionals drawn from library staffs, academic administrators, computer-center personnel, and faculties. They will preside over this transformation on the nation's campuses, which will have far-reaching consequences for the way universities allocate their financial resources and fulfill their educational mission.

INNOVATIVE USES OF TECHNOLOGY BY COLLEGES

Developments in digital technology and the growth of electronic information are changing the way information is provided on college campuses. Yet the reasons for making information available remain much the same as ever: to support the research efforts of faculty members and to give students the tools for discovery and understanding. Through case studies of 12 colleges, CLIR will explore how campuses are responding to the challenges of offering information services in a changing environment. We shall publish a volume of case studies that give examples of how libraries have used technology to strengthen their role on college campuses, enhance their services, and improve instruction and research.

THE W. K. KELLOGG FOUNDATION PROJECT

In 1996, the Council on Library Resources published case studies of 12 public libraries that have made innovative use of technology to improve and increase library services. The studies, which were supported by the W.K. Kellogg Foundation, have been well received by the library community. As a result, the Foundation has asked CLIR to work with participants in the Kellogg Human Resources in Information Systems Management (HRISM) program to develop educational and training resources that can be used by many public libraries. CLIR will assess materials that have been developed within the HRISM program and build a coherent package that can be shared widely. At the same time, we will adapt the public-library case studies for distribution to city managers and other local government officials and to information-policy experts.

PUBLICATIONS

CLIR will issue a series of publications that reflect the activities and products of all four programs. These will include reports on technical, scientific, and policy issues; a bimonthly newsletter that conveys information of interest to sponsors, funders, and professionals; a series of "research briefs" that summarize the results of CLIR projects in a concise format; a Website containing current information about programs and products; and timely, hard-copy press releases. In addition, CLIR will collaborate with the Research Libraries Group and Cornell University in producing *DigiNews*, a bimonthly Web publication about digitization and digital preservation issues.

Among the reports that will be issued in the coming year are the following: an overview of reformatting and its role in preserving and making accessible the print record in America that exists on brittle paper; a position paper on both the advantages and limitations of digitizing library materials; and the first in a series on preservation and management factors that influence or guide the selection for digitization of existing collections (this report will provide a manager's perspective on digital conversion of historical pictorial collections). Among the topics being considered for future CLIR reports are the cost-effective preservation management of existing collections, both paper and non-print, through environmental planning; and materials-science findings that affect the preservation of large research collections.

The Commission on Preservation and Access has concluded a joint publication and distribution agreement with the European Commission on Preservation and Access (ECPA). ECPA's offer to act as the Commission's distribution agent in Europe will save considerable time and expense in disseminating reports to that region. And the joint development of selected reports will provide the CPA with broader perspectives and a larger talent pool from which to draw authors and reviewers.

The Commission will complete a joint publication project with the International Federation of Library Associations and Institutions' Core Programme for Preservation and Conservation (IFLA PAC) that will result in a revised and expanded version of IFLA PAC's "Preservation Principles for Library Materials." The Commission will help distribute the report and mount it on the World Wide Web.

PUBLICATIONS AND REPORTS
JULY 1, 1996 – JUNE 30, 1997

Commission on Preservation and Access. *Newsletter:* nos. 91-100 (July 1996-June 1997).

Commission on Preservation and Access and the Council on Library Resources. Annual Report, 1995-1996.

Ester, Michael, *Digital Image Collections: Issues and Practice* (December 1996).

Public Libraries, Communities, and Technology: Twelve Case Studies (November 1996).

Porck, Henk, *Mass Deacidification: An Update on Possibilities and Limitations* (October 1996).

Kislovskaya, Galina, *Preservation Challenges in a Changing Political Climate: A Report from Russia* (September 1996).

Commission on Preservation and Access Newsletter Inserts:

"Task Force on Hispanic Resources Issues Recommendations" (March 1997).

"On the Fiscal Year 1998 Appropriations for the National Endowment for the Humanities." Written Statement from The Association of Research Libraries, Commission on Preservation and Access, and National Humanities Alliance (April 1997).

COUNCIL ON LIBRARY AND INFORMATION RESOURCES GRANTS AND CONTRACTS ACTIVE IN FY 1997 (unaudited)

RECIPIENT	PROJECT	AUTHORIZED	AMOUNT
American Film Foundation Santa Monica, California	Production of the Film *Into the Future*	12/12/95	$524,200
American Library Association Chicago, Illinois	China-USA Conference on Global Information Access	6/11/96	$4,500
Amherst College Amherst, Massachusetts	Scanning Institute for College Librarians	6/26/95	$10,000
Association of Research Libraries Washington, D.C.	First International Conference on Total Quality Management and Academic Libraries	3/7/94	$2,500
Association of Research Libraries Washington, D.C.	Latin American Book Price Index	10/29/96	$7,100
Association of Research Libraries Washington, D.C.	The Character and Nature of Research Library Investment in Electronic Resources	6/21/96	$11,800
Austin College Sherman, Texas	College Library Director Mentor Program (1995-1996)	8/11/95	$11,500
Center for Research Libraries Chicago, Illinois	International Newspaper Symposium	5/7/97	$10,000
Coalition for Networked Information Washington, D.C.	Conference on Assessing the Academic Networked Environment	6/18/97	$10,000
Coalition for Networked Information Washington, D.C.	Cost Centers and Measures: Establishing an Analytical Framework and Baseline for Networked Information Resources and Services	3/21/94	$25,000
Columbia University Libraries New York, New York	Oversize Color Images Project, 1994-1995	5/17/94	$35,000
Dickinson College Carlisle, Pennsylvania	Bibliographic Instruction to Aid Undergraduates in the Field of Chemistry	6/1/94	$1,900
Florida State University Tallahassee, Florida	ALA Library Research Seminar	8/7/95	$5,000
History Associates, Inc. Rockville, Maryland	Conference on Documenting the Digital Age	5/7/97	$5,700

RECIPIENT	PROJECT	AUTHORIZED	AMOUNT
IFLA Core Programme for Preservation and Conservation (PAC) Paris, France	Joint Publication of IFLA-PAC "Preservation Principles for Library Materials"	10/31/96	$10,000
Indiana University Bloomington, Indiana	NASA Knowledge Diffusion Research Project	9/17/93	$9,568
Iowa State University of Science and Technology Ames, Iowa	A Decision Model for Serial Access Choices	11/15/96	$18, 650
Johns Hopkins University Baltimore, Maryland	Comprehensive Access to Print Materials (CAPM) Project	6/21/96	$7,920
Johns Hopkins University Baltimore, Maryland	The Information-Seeking Process Among Population Studies Researchers	8/7/92	$4,000
National Information Standards Organization Bethesda, Maryland	Technical Standards for the Preservation and Conservation of Library Materials	10/21/91	$10,000
National Library of Poland Warsaw, Poland	Conversion of its Register of Microform Masters to Machine-Readable Form	8/18/93	$120,000
National Library of Venezuela Caracas, Venezuela	Automated Processing of Microfilm Holdings in Latin America and the Caribbean	5/17/95	$109,432
National Library of Venezuela Caracas, Venezuela	Program for Translating Preservation Literature into Spanish	8/9/96	$33,663
New York State Library Albany, New York	New York State Information Locator System Prototype	7/8/94	$24,880
Northeast Document Conservation Center Andover, Massachusetts	Preservation Initiatives in Cuba	5/6/97	$12,900
Research Libraries Group, Inc. Mountain View, California	Finding Aids SGML Training (FAST)	10/31/96	$30,000
Rutgers University New Brunswick, New Jersey	Exploration of Variable Pricing for Online Services at Research Libraries	11/15/96	$24,954
Rutgers University New Brunswick, New Jersey	The Efficiency of Research Libraries: A New Analytical Tool and Pilot Study Using 1995 ARL Data	11/15/96	$24,973

RECIPIENT	PROJECT	AUTHORIZED	AMOUNT
Society of American Archivists Chicago, Illinois	Standards for the Encoding of Archival Description and Finding Aids in SGML	12/7/95	$24,600
Stanford University Stanford, California	A User Survey of Online Scientific Journals	2/23/96	$25,000
State University of New York Buffalo, New York	Statistical Process Control of Interlibrary Loan for Continuous Quality Improvement	4/25/95	$28,090
University of California, Berkeley Berkeley, California	Partnership for Library Continuing Education Research	11/14/96	$4,000
University of California, Berkeley Berkeley, California	Performance Measures for Research Library Collections and Information Services: A Planning Project	6/21/96	$25,000
University of California, Los Angeles Los Angeles, California	The UCLA Senior Fellows for Public Libraries Summit Meeting	2/7/96	$22,000
University of California, Los Angeles Los Angeles, California	Conference on Graduate Archival Education and Research	5/23/96	$3,411
University of California, Santa Cruz Santa Cruz, California	Study of Search Patterns of In-library Online Catalog Users	4/5/94	$4,083
University of Illinois at Urbana-Champaign Urbana, Illinois	Study of Attitudes of Municipal and County Officials Toward Public Libraries	3/10/94	$12,000
University of Maryland College Park, Maryland	Document Selection and Relevance Assessments During a Research Project	3/9/95	$2,617
University of Michigan Ann Arbor, Michigan	Pricing Electronic Scholarly Information: A Research Collaboration	11/15/96	$25,000
University of Michigan Ann Arbor, Michigan	Project Management of Joint Study, "Vision 2010" (Phase I)	5/12/94	$132,000
University of Michigan Ann Arbor, Michigan	Project Management of Joint Study, "Vision 2010" (Phase II)	12/13/94	$100,000
University of Michigan Ann Arbor, Michigan	Workshop on Future of Information and Library Studies Education	6/15/95	$34,000

RECIPIENT	PROJECT	AUTHORIZED	AMOUNT
University of Minnesota Minneapolis, Minnesota	A Study of New Organization Models for the Collection Management Function	2/12/96	$4,628
University of Tennessee Knoxville, Tennessee	Library Leadership in the Post-Hierarchical Age	6/7/96	$4,092
University of Zambia Lusaka, Zambia	Library and Information Science Curricula in Zambia	1/31/97	$4,000
Virginia Commonwealth University Richmond, Virginia	Using the Contingent Valuation Method to Measure Patron Benefits of Reference Desk Service in an Academic Library	11/15/96	$20,000
Yale University New Haven, Connecticut	Electronic Licensing Resource for Academic Research Libraries	5/31/96	$20,200
Yale University New Haven, Connecticut	Project on the Preservation of Digital Information	7/1/96	$25,000

COMMISSION ON PRESERVATION AND ACCESS

FINANCIAL STATEMENTS
WITH
ADDITIONAL INFORMATION

FOR THE YEAR ENDED JUNE 30, 1997
(With Summarized Financial Information for June 30, 1996)

WITH
INDEPENDENT AUDITORS' REPORT

STONE AND SPRING
Certified Public Accountants
Herndon, Virginia

COMMISSION ON PRESERVATION & ACCESS

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Michael G. Spring, Jr., C.P.A.
Stephen C. Stone, C.P.A.

INDEPENDENT AUDITORS' REPORT

To the Board of Trustees
Commission on Preservation and Access
Washington, D.C.

We have audited the accompanying statement of financial position of the Commission on Preservation and Access (the "Commission") as of June 30, 1997, and the related statements of activities and changes in net assets, and cash flows for the year then ended. These financial statements are the responsibility of the Commission's management. Our responsibility is to express an opinion on these financial statements based on our audit. The financial statements of the Commission on Preservation and Access as of June 30, 1996, were audited by other auditors whose report dated September 9, 1996, expressed an unqualified opinion on those statements.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Commission on Preservation and Access as of June 30, 1997, and the results of its operations and its cash flows for the year then ended in conformity with generally accepted accounting principles.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying schedule of functional expenses is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Stone and Spring

Certified Public Accountants

Herndon, Virginia
August 27, 1997

Members American Institute of Certified Public Accountants

COMMISSION ON PRESERVATION & ACCESS

STATEMENT OF FINANCIAL POSITION

June 30, 1997
(With summarized financial information for June 30, 1996)

	Unrestricted	Temporarily Restricted	Total 1997	Total 1996
Assets				
Cash and cash equivalents	$ 86,990	$ -	$ 86,990	$ 423,452
Investments	783,572	2,693,342	3,476,914	2,810,989
Grants receivable	26,665	77,263	103,928	483,100
Accounts receivable - other	97,156	-	97,156	-
Furniture and equipment, net	13,746	-	13,746	32,753
Other assets	25,697	-	25,697	39,701
Total Assets	$ 1,033,826	$ 2,770,605	$ 3,804,431	$ 3,789,995
Liabilities and Net Assets				
Accounts payable and accrued expenses	$ 107,463	$ -	$ 107,463	$ 53,004
Refund due to Xerox Corp.	-	-	-	125,000
Contracts payable	-	68,600	68,600	365,004
Total Liabilities	$ 107,463	$ 68,600	$ 176,063	$ 543,008
Net Assets	926,363	2,702,005	3,628,368	3,246,987
Total Liabilities and Net Assets	$ 1,033,826	$ 2,770,605	$ 3,804,431	$ 3,789,995

The accompanying notes to financial statements are an integral part of this statement.

COMMISSION ON PRESERVATION & ACCESS

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

For the Year Ended June 30, 1997
(With summarized financial information for June 30, 1996)

	Unrestricted	Temporarily Restricted	Total 1997	Total 1996
Revenue				
Grants and contracts	$ -	$ 895,052	$ 895,052	$ 1,970,150
Contributions	170,500	474,000	644,500	152,500
Publication sales	16,938	-	16,938	14,971
Interest income	74,290	104,498	178,788	147,109
	$ 261,728	$1,473,550	$ 1,735,278	$ 2,284,730
Net Assets released from Restrictions				
Satisfaction of program restrictions	$ 813,593	$(813,593)	-	-
Total Revenue	$ 1,075,321	$ 659,957	$ 1,735,278	$ 2,284,730
Expenses				
Program services:				
Preservation	$ 1,021,770	$ -	$ 1,021,770	$ 1,212,869
Leadership	40,244	-	40,244	1,796
Digital libraries	145,378	-	145,378	84,246
Total Program Services	$ 1,207,392	$ -	$ 1,207,392	$ 1,298,911
Administration	146,505	-	146,505	120,464
Total Expenses	$ 1,353,897	$ -	$ 1,353,897	$ 1,419,375
Change in Net Assets	(278,576)	659,957	381,381	865,355
Net Assets, Beginning of Year	1,204,939	2,042,048	3,246,987	2,381,632
Net Assets, End of Year	$ 926,363	$ 2,702,005	$ 3,628,368	$ 3,246,987

The accompanying notes to financial statements are an integral part of this statement.

COMMISSION ON PRESERVATION & ACCESS

STATEMENT OF CASH FLOWS

For the Year Ended June 30, 1997
(With summarized financial information for June 30, 1996)

	1997	1996
Operating Activities		
Change in net assets	$ 381,381	$ 865,355
Adjustments to reconcile change in net assets to net cash provided by (used) in operating activities		
Depreciation	24,703	17,790
(Increase) decrease in grants receivable	379,170	(373,100)
(Increase) decrease in other assets	14,004	(14,962)
(Increase) decrease on accounts receivable - other	(97,156)	-
Increase (decrease) in accounts payable and accrued expenses	54,459	1,038
Increase (decrease) in refund due to Xerox Corp.	(125,000)	125,000
Increase (decrease) in contracts payable	(296,402)	147,000
Net Cash Provided (Used) By Operating Activities	$ 335,159	$ 768,121
Investing Activities		
Proceeds from sales of investments	$ 8,384,011	$ 4,212,292
Purchases of investments	(9,049,936)	(4,697,834)
Purchases of furniture and equipment	(5,696)	(6,551)
Net Cash Provided (Used) By Investing Activities	$ (671,621)	$ (492,093)
Net Change in Cash and Cash Equivalents	$ (336,462)	$ 276,028
Cash and cash equivalents, beginning of year	423,452	147,424
Cash and cash equivalents, end of year	$ 86,990	$ 423,452

The accompanying notes to financial statements are an integral part of this statement.

COMMISSION ON PRESERVATION & ACCESS

NOTES TO FINANCIAL STATEMENTS

June 30, 1997

NOTE 1- Organization

The Commission on Preservation & Access (the "Commission) is a not-for-profit organization incorporated under the laws of the District of Columbia in 1988 for the purpose of fostering, developing, and supporting systematic and purposeful collaboration in order to ensure the preservation of the published and documentary record in all formats and provide equitable access to that information.

The Commission's operations are financed through contributions from colleges, universities and other organizations and through general support grants and restricted grants from private foundations and other sources. The Commission conducts its work directly through committees and working groups as well as through contracts with other organizations and individuals.

NOTE 2- Summary of Significant Accounting Policies

Basis of accounting - The accompanying financial statements of the Commission have been prepared on the accrual basis.

Grant revenue and recognition of grantor restrictions - The Commission reports grants as temporarily restricted support if they are received with grantor stipulations that limit the use of the grants as to time or purpose. When either condition is satisfied, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities and changes in net assets as net assets released from restrictions. Support that is restricted by the grantor is reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the support is recognized.

Contracts payable - Contracts made by the Commission are recorded as contracts payable and expensed at the time contracts are awarded. Current period expenses are adjusted for contract refunds or over appropriations when received.

Board designated net assets - From time to time, the Board of Trustees designates a portion of unrestricted net assets for various short-term projects.

Cash and cash equivalents - For purposes of the statement of cash flows, cash and cash equivalents consist primarily of deposits in a money market mutual fund and investments with original maturities of 90 days or less.

NOTE 2- Summary of Significant Accounting Policies (continued)

Functional allocation of expenses - Costs of the various programs have been summarized on a functional basis in the accompanying financial statements. Certain indirect costs which include rent and other expenses are identified as support services costs and have been allocated directly to programs and administration. Salaries and travel costs have been allocated directly to programs and administration on a time-allocated basis.

Furniture and Equipment - Furniture and equipment are recorded at cost, less accumulated depreciation. Depreciation expense is computed using the straight-line method over the estimated useful lives of the respective assets. Expenditures for maintenance and repairs are charged against income as incurred; betterments which increase the value or materially extend the life of the related assets are capitalized.

Contributions - The Commission records grant income as unrestricted, temporarily restricted, or permanently restricted support, depending upon the terms and conditions of the grant.

Fair value of financial instruments - Management estimates that the fair value of all financial instruments at June 30, 1997 does not differ materially from the aggregate carrying values reported in the accompanying statement of financial position due to the short term maturities of those instruments.

Use of estimates - The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements. Estimates also affect the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Summarized financial information - The financial statements include certain prior-year comparative information summarized in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Commission's financial statements for the year ended June 30, 1996 from which the summarized information was derived.

Reclassification of prior year information - Certain amounts from the prior year have been reclassified to enhance comparability.

COMMISSION ON PRESERVATION & ACCESS

NOTES TO FINANCIAL STATEMENTS

June 30,1997
(Continued)

NOTE 3 - Restrictions on Assets

Temporarily restricted net assets related to grantor restrictions were as follows:

Preservation	$ 1,811,617
Leadership	775,852
Digital Libraries	114,536
Total	$2,702,005

NOTE 4 - Income Taxes

The Commission is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and applicable regulations of the District of Columbia.

NOTE 5 - Furniture and Equipment

Furniture and equipment consist of the following:

Furniture and equipment	$ 89,872
Leasehold improvements	2,286
	$ 92,158
Less: accumulated depreciation and amortization	(78,412)
	$ 13,746

NOTE 6 - Net Assets released from Restrictions

Net assets were released from grantor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of other events specified by grantors.

COMMISSION ON PRESERVATION & ACCESS

NOTES TO FINANCIAL STATEMENTS

June 30,1997
(Continued)

NOTE 7 - Retirement Plan

Employees are eligible for participation in the Commission's defined contribution retirement annuity program ("the Plan") administered through the TIAA/CREF insurance companies. Individual contracts issued under the Plan provide for full and immediate vesting of the Commission's contributions. The Commission contributes 15% of employees' salaries to the Plan each year. The Commission's contributions were $82,417 and $44,963 in 1997 and 1996, respectively.

NOTE 8 - Concentrations of Credit Risk

Financial instruments which potentially subject the Commission to concentrations of credit risk consist primarily of cash equivalents and grants receivable. At June 30,1997 and 1996, approximately $100,776 and $402,000 respectively, in cash equivalents was being held by a third party in a money market mutual fund that invests solely in United States government securities. This amount is not insured by the Federal Deposit Insurance Corporation.

NOTE 9 - Commitments

The Commission has entered into a noncancelable operating lease agreement for its office space which expires in August, 2003. The Commission is subleasing a portion of its space until August, 2003.

Future minimum lease payments, net of sublease receipts, required under the lease are as follows:

Year Ending June 30,	
1998	$ 172,449
1999	123,945
2000	128,898
2001	134,058
2002	139,427
Thereafter	144,993
Total	$ 843,770

NOTE 10 -Affiliation

In February 1995, the Commission agreed to affiliate with the Council on Library Resources ("the Council") on the basis that both Organizations' missions and activities have become complementary as advances in technologies continue to create challenges and opportunities for libraries and other repositories of information.

COMMISSION ON PRESERVATION & ACCESS

NOTES TO FINANCIAL STATEMENTS

June 30,1997
(Concluded)

NOTE 10-Affiliation (continued)

As a result of this affiliation, the Commission incurred and billed charges of $97,156 to the Council representing the Council's proportionate share of administrative expenses.

In December 1995, a private foundation awarded $1,200,000 in the form of a grant to be utilized by both the Commission and has been recorded as temporarily restricted revenue on the Commission's statement of activities and changes in net assets. No formal allocation of these funds has been made since the organizations will begin to function as a single organization effective July 1, 1997.

NOTE 11 - Subsequent Event

As discussed above, both organizations will begin to function as a single organization effective July 1, 1997, under the name, Council on Library and Information Resources. The first conjoint Board of Directors meeting will be held in October 31,1997, and the program initiatives will be reviewed at that time.

COMMISSION ON PRESERVATION & ACCESS

SCHEDULE OF FUNCTIONAL EXPENSES

For the Year Ended June 30, 1997
(With summarized financial information for June 30, 1996)

	Preservation	Leadership	Digital Libraries	Total Program Services	Admin.	Total 1997	Total 1996
Grants	$ 57,136	$ -	$ 22,735	$ 79,871	$	$ 79,871	$ -
Refunds	-	-	(2,876)	(2,876)	-	(2,876)	-
Contracts	54,650	-	5,700	60,350	-	60,350	558,318
Meeting & Travel	67,463	1,552	84,468	153,483	48,350	201,833	112,562
Staff	578,633		26,001	604,634	41,214	645,848	390,309
Consultants	111,647	38,674	6,594	156,915	8,451	165,366	47,873
Board Expense	-	-	—	-	27,273	27,273	13,491
Program Support	152,241	18	2,756	155,015	21,217	176,232	296,822
	$ 1,021,770	$40,244	$145,378	$ 1,207,392	$146,505	$1,353,897	$1,419,375

The accompanying notes to financial statements are an integral part of this statement.

COUNCIL ON LIBRARY RESOURCES, INC.

FINANCIAL STATEMENTS
WITH
ADDITIONAL INFORMATION

FOR THE YEAR ENDED JUNE 30, 1997
(With Summarized Financial Information for June 30, 1996)

WITH
INDEPENDENT AUDITORS' REPORT

STONE AND SPRING
Certified Public Accountants
Herndon, Virginia

COUNCIL ON LIBRARY RESOURCES, INC.

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Michael G. Spring, Jr., C.P.A.
Stephen C. Stone, C.P.A.

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Council on Library Resources, Inc.
Washington, D.C.

We have audited the accompanying statement of financial position of the Council on Library Resources, Inc. (the "Council") as of June 30, 1997, and the related statements of activities and changes in net assets, and cash flows for the year then ended. These financial statements are the responsibility of the Council's management. Our responsibility is to express an opinion on these financial statements based on our audit. The financial statements of the Council on Library Resources, Inc. as of June 30, 1996, were audited by other auditors whose report dated September 9, 1996, expressed an unqualified opinion on those statements.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Council on Library Resources, Inc. as of June 30, 1997, and the results of its operations and its cash flows for the year then ended in conformity with generally accepted accounting principles.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying schedule of functional expenses is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Stone and Spring

Certified Public Accountants

Herndon, Virginia
August 27, 1997

Members American Institute of Certified Public Accountants

COUNCIL ON LIBRARY RESOURCES, INC.

STATEMENT OF FINANCIAL POSITION

June 30, 1997
(With summarized financial information for June 30, 1996)

	Unrestricted	Temporarily Restricted	Total 1997	Total 1996
Assets				
Cash and cash equivalents	$ 269,143	$ -	$ 269,143	$ 535,942
Investments	422,131	471,345	893,476	1,094,909
Accounts receivable	-	70,815	70,815	-
Other assets	11,417	-	11,417	31,654
Total Assets	$ 702,691	$ 542,160	$ 1,244,851	$ 1,662,505
Liabilities and Net Assets				
Accounts payable and accrued expenses	$ 109,436	$ -	$ 109,436	$ 73,102
Contracts payable	-	84,939	84,939	144,750
Total Liabilities	$ 109,436	$ 84,939	$ 194,375	$ 217,852
Net Assets	$ 593,255	$ 457,221	$ 1,050,476	$ 1,444,653
Total Liabilities and Net Assets	$ 702,691	$ 542,160	$ 1,244,851	$ 1,662,505

The accompanying notes to financial statements are an integral part of this statement.

COUNCIL ON LIBRARY RESOURCES, INC.

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

For the Year Ended June 30, 1997
(With summarized financial information for June 30, 1996)

	Unrestricted	Temporarily Restricted	Total 1997	Total 1996
Revenue				
Grants	$ -	$ 105,500	$ 105,500	$ 250,000
Interest income	64,753	7,049	71,802	107,042
Other income, principally publication sales	4,029	-	4,029	6,930
Net Assets released from Restrictions				
Satisfaction of program restrictions	$ 389,394	$ (389,394)	-	-
Total Revenue	$ 458,176	$ (276,845)	$ 181,331	$ 363,972
Expenses				
Program services:				
Leadership	$ 241,384	$ -	$ 241,384	$ 409,582
Digital library	38,273	-	38,273	102,835
Economics of information	154,585	-	154,585	134,581
Preservation	10,000	-	10,000	-
Total Program Services	$ 444,242	$ -	$ 444,242	$ 646,998
Administration	131,266	-	131,266	159,176
Total Expenses	$ 575,508	$ -	$ 575,508	$ 806,174
Change in Net Assets	(117,332)	(276,845)	(394,177)	(442,202)
Net Assets, Beginning of Year	710,587	734,066	1,444,653	1,886,855
Net Assets, End of Year	$ 593,255	$ 457,221	$ 1,050,476	$ 1,444,653

The accompanying notes to financial statements are an integral part of this statement.

COUNCIL ON LIBRARY RESOURCES, INC.

STATEMENT OF CASH FLOWS

For the Year Ended June 30, 1997
(With summarized financial information for June 30, 1996)

	1997	1996
Operating Activities		
Change in net assets	$ (394,177)	$ (442,202)
Adjustments to reconcile change in net assets to net cash provided(used) by operating activities		
(Increase) decrease in grants receivable	-	520,000
(Increase) decrease in other assets	20,237	(2,563)
(Increase) decrease in accounts receivable	(70,815)	-
Increase (decrease) in accounts payable and accrued expenses	36,334	44,618
Increase (decrease) in contracts payable	(59,811)	48,391
Net Cash Provided (Used) By Operating Activities	$ (468,232)	$ 168,244
Investing Activities		
Proceeds from sales of investments	$ 5,422,685	$ 2,649,999
Purchases of investments	(5,221,252)	(2,468,947)
Net Cash Provided (Used) By Investing Activities	$ 201,433	$ 181,052
Net Change in Cash and Cash Equivalents	$ (266,799)	$ 349,296
Cash and cash equivalents, beginning of year	535,942	186,646
Cash and cash equivalents, end of year	$ 269,143	$ 535,942

The accompanying notes to financial statements are an integral part of this statement.

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COUNCIL ON LIBRARY RESOURCES, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 1997

NOTE 1- Organization

The Council on Library Resources, Inc. (the "Council) is a not-for-profit organization incorporated under the laws of the District of Columbia in 1956 for the purpose of promoting library research.

The Council's operations are financed through unrestricted general support grants and through restricted grants from private foundations and other sources. The Council conducts its work directly through administered projects as well as through grants and contracts with other organizations or individuals.

NOTE 2- Summary of Significant Accounting Policies

Basis of accounting - The accompanying financial statements of the Council have been prepared on the accrual basis.

Grant revenue and recognition of grantor restrictions - The Council reports grants as temporarily restricted support if they are received with grantor stipulations that limit the use of the grants as to time or purpose. When either condition is satisfied, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities and changes in net assets as net assets released from restrictions. Support that is restricted by the grantor is reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the support is recognized.

Grants payable - Grants made by the Council are recorded as grants payable and expensed at the time grants are awarded. Current period expenses are adjusted for grant or contract refunds or over appropriations when received.

Board designated net assets - From time to time, the Board of Directors designates a portion of unrestricted net assets for various short-term projects.

Cash and cash equivalents - For purposes of the statement of cash flows, cash and cash equivalents consist primarily of deposits in a money market mutual fund and investments with original maturities of 90 days or less.

COUNCIL ON LIBRARY RESOURCES, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 1997
(Continued)

NOTE 2- Summary of Significant Accounting Policies (continued)

Functional allocation of expenses - Costs of the various programs have been summarized on a functional basis in the accompanying financial statements. Certain indirect costs which include rent and other expenses are identified as support services costs and have been allocated directly to programs and administration. Salaries and travel costs have been allocated directly to programs and administration on a time-allocated basis.

Contributions - The Council records grant income as unrestricted, temporarily restricted, or permanently restricted support, depending upon the terms and conditions of the grant.

Fair value of financial instruments - Management estimates that the fair value of all financial instruments at June 30, 1997 does not differ materially from the aggregate carrying values reported in the accompanying statement of financial position due to the short term maturities of those instruments.

Use of estimates - The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements. Estimates also affect the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Summarized financial information - The financial statements include certain prior-year comparative information summarized in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Council's financial statements for the year ended June 30, 1996 from which the summarized information was derived.

Reclassification of prior year information - Certain amounts from the prior year have been reclassified to enhance comparability.

COUNCIL ON LIBRARY RESOURCES, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 1997
(Continued)

NOTE 3 - Restrictions on Assets

Temporarily restricted net assets related to grantor restrictions were as follows:

Leadership	$ 376,440
Digital library	16,444
Economics of information	64,337
Total	$ 457,221

NOTE 4 - Income Taxes

The Council, a private operating foundation, is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code and applicable regulations of the District of Columbia.

NOTE 5 - Net Assets released from Restrictions

Net assets were released from grantor restrictions by incurring expenses satisfying the restricted purposes and/or the occurrence of other events specified by grantors.

NOTE 6 - Retirement Plan

Employees are eligible for participation in the Council's defined contribution retirement annuity program ("the Plan") administered through the TIAA/CREF insurance companies. Individual contracts issued under the Plan provide for full and immediate vesting of the Council's contributions. The Council contributes 15% of employees' salaries to the Plan each year. The Council's contributions were $31,562 and $44,963 in 1997 and 1996, respectively.

NOTE 7 - Concentrations of Credit Risk

Financial instruments which potentially subject the Council to concentrations of credit risk consist primarily of cash equivalents. At June 30, 1996, approximately $517,900, in cash equivalents was being held by a third party in a money market mutual fund that invests solely in United States government securities. This amount is not insured by the Federal Deposit Insurance Corporation. In addition, cash in the bank at June 30, 1997 exceeded the FDIC insurance limit by approximately $165,304.

COUNCIL ON LIBRARY RESOURCES, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 1997
(Concluded)

NOTE 8 - Commitments

The Council has entered into a noncancelable operating lease agreement for its office space which expires in August, 2003. The council is subleasing a portion of its space until August 2003.

Future minimum lease payments, net of sublease receipts, required under the lease are as follows:

Year Ending June 30:	
1998	$ 172,449
1999	123,945
2000	128,898
2001	134,058
2002	139,427
Thereafter	144,993
	$ 843,770

NOTE 9 -Affiliation

In February 1995, the Council agreed to affiliate with the Commission on Preservation and Access, Inc. (the "Commission") on the basis that both Organizations' missions and activities have become complementary as advances in technologies continue to create challenges and opportunities for libraries and other repositories of information.

As a result of this affiliation, the Council incurred and billed charges of $146,619 to the Commission representing the Commission's proportionate share of administrative expenses.

In December 1995, a private foundation awarded $1,200,000 in the form of a grant to be utilized by both the Council and Commission. The grant was specifically given to the Commission and has been recorded as temporarily restricted revenue on the Commission's statement of activities and changes in net assets. No formal allocation of these funds has been made since the organizations will begin to function as a single organization effective July 1, 1997.

NOTE 10 -Subsequent Event

As discussed above, both organizations will begin to function as a single organization effective July 1, 1997, under the name Council on Library and Information Resources. The first conjoint Board of Directors meeting will be held in October 31, 1997, and program initiatives will be reviewed at that time.

COUNCIL ON LIBRARY RESOURCES, INC.

SCHEDULE OF FUNCTIONAL EXPENSES

For the Year Ended June 30, 1997
(With summarized financial information for June 30, 1996)

	Leadership	Digital Libraries	Economics of Information	Preservation	Total Program Services	Admin.	Total 1997	Total 1996
Grants	$ 11,000	$30,000	$120,677	$ 10,000	$171,677	$ -	$171,677	$103,701
Refunds	(446)	(283)	(2,894)	-	(3,623)	-	(3,623)	-
Contracts	-	306	-	-	306	-	306	43,403
Meeting & Travel	22,630	-	228	-	22,908	5,896	28,804	77,483
Staff	126,669	-	29,355	-	156,024	9,768	165,792	326,687
Consultants	54,689	8,250	4,030	-	66,969	-	66,969	59,459
Board Expense	-	-	-	-	-	4,146	4,146	17,233
Program Support	26,792	-	3,189	-	29,981	111,456	141,437	178,208
	$241,384	$38,273	$154,585	$ 10,000	$444,242	$131,266	$575,508	$806,174

The accompanying notes to financial statements are an integral part of this statement.

COUNCIL ON LIBRARY AND INFORMATION RESOURCES

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